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C O N F I D E N T I A L SECTION 01 OF 02 LONDON 000272

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TAGS: [PREL](#) [KPRP](#) [PGOV](#) [PHUM](#) [IR](#) [UK](#)  
SUBJECT: IRAN: UK SAYS EU DESIRE FOR THIRD UNSCR MEANS NO  
AUTONOMOUS MEASURES BEFORE MARCH

REF: A. SECSTATE 07679

[1](#)B. EMBASSY-NEA/IR TELCON 1/28

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Classified By: Political Counselor Richard Mills for reasons 1.4 (b) and (d)

[1](#)1. (C) Summary: The UK expects no new EU steps on autonomous measures against Iran before a March 10-11 GAERC ministerial, due to the desire of most EU governments to have the legal and political cover of an approved third UN Security Council Resolution in place before any further EU action, according to the Foreign and Commonwealth Office (FCO). FCO is confident the EU will designate Bank Melli at the March 10-11 GAERC, but predicts the EU will, for political reasons, not want to approve any second designation making, in FCO view, a March designation of Bank Saderat unlikely. The UK expects that during the February GAERC the EU will extend existing travel bans and asset freezes to those entities considered "uncontroversial" by the UK and other EU governments (Embassy has requested more specifics). On the UNSC, FCO believes it will take until "mid to late February" to persuade non-permanent UNSC members to support a third resolution. End summary.

UK Comments on Some EU Governments  
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[1](#)2. (C) Will Gelling, Iran Multilateral Team Leader at FCO, agreed on January 28 with all Iran points ref (a) but told London Iran Watcher (Poloff) the January 28-29 GAERC session is not dealing with financial or other "autonomous measures" against Iran. Gelling explained that the reluctance of Spain and Italy to act without a third UNSCR has in effect delayed GAERC action on Iran sanctions until the next Iran session at ministerial level: March 10-11, according to Gelling. Gelling added the Germans have a strong, but not unsurmountable, preference to wait for UN authority before going ahead in the EU. In addition to Spain and Italy, Gelling described Greece, Austria and Cyprus as heading what he called "the usual doubters" on Iran sanctions, and in need of repeated persuasion and engagement. Gelling said that, given a third UNSCR on Iran, both Madrid and Rome and other EU governments are in UK's judgment likely to support, within limits, E3 proposals for EU sanctions. Gelling said his office will spend the next four weeks traveling to EU capitals to advocate for autonomous measures.

## Less Optimistic on Saderat

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13. (C) Gelling said HMG was attempting to organize support within the EU for designation of Bank Melli, while France has agreed to round up support for a Bank Saderat designation. Gelling said Belgium, Denmark, France, Germany, Holland, Italy, and Spain have told FCO bilaterally they will support EU designation of Melli, making Melli in the UK's view an "odds-on" favorite to win EU designation. Gelling noted however, that these governments had at the same time been much less definite about supporting a designation of Saderat as well. Poloff asked whether these governments see any significant difference in the merits or evidence supporting designation of the two banks: Gelling said the merits are less important for these governments than "purely political" factors -- the reluctance to move too fast, too far.

## EU Action Depends On Third Resolution

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14. (C) Gelling said any delay in a third UN resolution past the March GAERC dates would not derail, but might delay, EU autonomous measures. If the draft third resolution were to be vetoed in New York, Gelling said most EU members, despite continued French and UK support, would want to quickly distance themselves from further steps on Iran. In these circumstances, FCO is hopeful, but not convinced, that Germany would support further autonomous measures, including a Melli designation, and would have a reasonable chance of bringing the rest of the EU along; an outright failure of the third UNSCR would in effect make Germany the keystone of next steps, if any, within the EU.

## UK View of UNSCR Dynamics

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15. (C) Gelling said it will take a number of weeks to prepare the ground with UNSC member governments to support the draft third resolution agreed in Berlin January 22, and highlighted Libya, South Africa, Vietnam and Indonesia as needing special attention, which he said the UK is planning to provide. Gelling said the Vietnamese have been in UK view very opaque on their position, while South Africa will require "point-by-point" explanation and persuasion, due to what FCO sees as South Africa's fundamental reluctance to act against Iran. Gelling said the Libyans were being characteristically prickly on Iran, while Indonesia will need to feel it has been fully consulted before it will support a third resolution.

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